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International Market Selection of Parfois

Direct Research Project for the Masters in Management

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Abstract

Parfois has been internationalizing into many countries and would like to continue growing. This study focuses on the IMS of Parfois, comparing countries from the all around the world, in a quantitative analysis at first, followed by a qualitative analysis. The purpose of the project is to help Parfois select the optimal market for expansion. Through semi structured interviews, literature research, and country clustering and ranking methods South Korea was selected as the best market for expansion, followed by Israel.

Keywords: International Market Selection, Internationalization, International Expansion, Parfois

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Introduction

Expanding internationally is an extremely important strategic decision for every company that wants to go global. Managing the internationalization process involves three important steps - where, when and how. Indeed, a firm needs to select the location to which it wishes to expand (where), defined the international location timing (when), and finally the select the international entry mode (how) (Welch & Luostarinen, 1998).

The Portuguese fashion retail company Parfois - Barata & Ramilo S.A, more commonly known as only Parfois, has had an interesting and successful internationalization process. Parfois was founded in 1994 by Manuela Medreiros in Oporto, when she noticed that there was a gap in the demand and supply of women fashion accessories, having an ambition since the first day to open more than one store. Parfois is already present in more than 50 stores, opening more than 100 stores per year, most of them opening in international markets. In terms of sales, Parfois had an average annual growth of 30% since 2011 and wants to keep growing at this rate for 5 more years. Parfois had a success almost instantly in Portugal where it started to expand internally at an extremely high rate. Interestingly, Parfois' first international expansion presented itself in 2002, to Saudi Arabia, almost "by chance" as the current CEO of Parfois stated (Marques, 2015). Indeed, it was due to the initiative of a business man who was looking for a European brand to open a store in Saudi Arabia that the brand made the leap across borders, and later in the same year it expanded to its neighboring country, Spain. Parfois had three big phases of growth: the first one since it was founded in 1994 until 2001, the second since 2001 where it started to expand abroad until 2006/2007 and from 2006/2007 to the present where the expansion process turned into professionalized process. The first phase was characterized by growing immensely in Portugal, in the second phase, as already mentioned above, Parfois was merely to reacting to request from abroad to open stores, taking advantage of as many opportunities to expand as possible, and in the third phase it all changed when Parfois stopped expanding abroad by reacting to requests, and instead started to actively search for new countries to expand. Also, Parfois' been decreasing the number of countries entered per year and decided to enter fewer countries and consolidate its position in each market in order to obtain a high market share.

Therefore, the aim of this project is to define the international market selection (IMS) for Parfois. By taking into consideration that, in most circumstances, a large number of export opportunities exist, and only a limited number can be explored due to scarce resources (Papadopoulos and Denis, 1988), Parfois would benefit from a study to shed some light into the most promising ones. Through the IMS research that will be presented, Parfois will be able to decide on which market they should invest their scarce resources to generate the most potential growth and revenue. Hence this project adds value to Parfois as it provides a clear analysis and compares different markets in order to select the optimal country to expand. This project will have three stages in order to reach the best target market for Parfois:

- Analysis of Parfois' strategic position;
- Search for global markets where the various potential markets in a macro view;
- In-depth analysis of the most promising potential markets.

Moreover, Parfois has its method of entering a new country already established by expanding with a franchise partner. Parfois has its own stores in only very few countries (Portugal, Spain, France and Poland. Thus, my work project will be focused on finding the optimal country for Parfois to expand with a franchise partner. This paper will begin with a review of the relevant IMS literature followed by an analysis with the aid of the GMMSO4 software and finally a conclusion and set of proposed recommendations.

Literature Review

The internationalization process of firms has been one of the most frequently researched topics in international marketing over the past 40 years (Fletcher, 2001). According to Welch and Luostarinen (1988), internationalization is "the process of increasing involvement in international operations" and it can be perceived as a part of the ongoing strategy process of most business firms (Melin, 1992). This internationalization process has three main dimensions corresponding to three simple questions, which a firm must respond to when planning an international expansion: what, where and how (Welch &

Luostarinen, 1998). International Market Selection (IMS) - the "where" – aims to determine the relative attractiveness and potential of markets within a considered set, prior to the final in-depth assessment of the most appealing one(s) for expansion (Reid, 1981). IMS is the first and most important step in export strategy (Root, 1994; Kay, 1993; O'Farrell & Wood, 1994) (Papadopoulos & Denis, 1988) and effective market choice is a strategic decision that affects export performance (Ayal & Zif, 1978; Chetty & Hamilton, 1993).

Following the literature in IMS there are several different methods to determine how the IMS should be done. Papadopoulos and Denis (1988) summarized the literature on IMS methods up until the late 1980s, where they classified over 40 proposed international market selection models into two broad types of approaches – qualitative approaches and quantitative approaches. On one side there is the qualitative approach or the descriptive approach, which focus on rigorous and systematic gathering and analysis of qualitative information about one or a handful of potential country markets. According to Papadopoulos and Denis (1988), qualitative approaches typically start by establishing objectives and constraints which are used to identify a short list of countries for further consideration. Other studies focus more on the nature, appropriateness and sources of qualitative information that could be used as input to the IMS process. Although being systematic, approach has been criticized by being subject of the potentially biased perceptions of those who provide information (Papadopoulos and Denis 1988:39) and are subjective assessments can be largely inaccurate (Vogel, 1976). Moreover, qualitative approaches are restricted by their nature to considering a limit of countries. Given this limitation Douglas, Craig and Keegan (1982) suggested the adoption of a screening procedure of secondary data to determine which countries to investigate in depth. This screening procedure is exactly what IMS quantitative approaches do by using more formalized statistical analyses and comparing secondary of various markets, thus making it possible to compare significantly larger number of countries. Indeed, the quantitative approach is by nature a normative IMS model where the decision process is structured and formalized including various statistical methods to analyze large amounts of secondary statistical data about many or all foreign markets, in order to determine the potential of the target markets, also described as the quantitative/statistical approach (Papadopoulos & Denis, 1988). Furthermore, Papadopoulos and Denis (1988) divided the quantitative models into two categories: market grouping methods which clusters countries on the basis of similarity, and market estimation methods which aim at differentiating markets in the basis of their potential.

Market grouping or country clustering methods yield a group of countries with similar commercial, economic, political and cultural dimensions. This method suggests that the most attractive markets for a firm are the ones which most closely resemble the markets already penetrated (Papadopoulos and Denis, 1988). The first significant quantitative approach of country clustering was made by Liander, Terpstar, Yoshino, and Sherbini, who grouped countries according to their similarity in industrial and economic development. Many other approaches have been studies ever since studied, including grouping countries by cultural, political, socioeconomic and religious indicators (Sethi, 1971) or clustering countries with highly favor environment for the pursuit of a global market strategy (Huszagh, Fox & Day, 1985). Creating country clusters would help managers compare similar countries and it also provides information regarding possible synergies among countries. Nevertheless, the clustering approach has been repeatedly criticized by its exclusive reliance on aggregate, macro indicators, neglecting specific-product/service market indicators (Cavusgil & Nevin, 1981; Douglas & Craig, 1983; Papadopoulos & Denis, 1988). Yet, considering that these indicators are not readily available as secondary data and requires extensively and costly market research, Cavusgil et al. (2003) proposed that the use of these indicators is only appropriate when a reduced set of countries has been identified, thus being more useful in the later stages of the market opportunity analysis.

In the second category, market estimation methods, foreign markets are evaluated on the basis of one or several criteria in order to measure aggregate market potential and attractiveness, and those which yield the highest score are selected (Sakarya et al., 2007; Papadopoulos and Denis, 1988). The criteria used in this category vary across methods and repeatedly include indicators such wealth, size, growth, competition and access indicators (Sakarya et al., 2007). The main objections to indexing are similar to the criticisms of clustering – lack of product specificity in the indicators (Papadopoulos and Denis, 1988). However, it is important to keep in mind that the index should only be used for initial country screening, and not for final selection purposes (Cavusgil, Kiyak, & Yeniyurt, 2004) Moreover, the quantitative approach has been criticized as it assumes a static environment and methodological problems due to data availability. Cavusgil et al. (2004) combined these two quantitative methods of country clustering and country ranking in order to create one very strong method for country screening which should be the first step of IMS. Indeed, country clustering helps managers identify which markets are akin to their domestic market and clusters of nations where similar international marketing strategies can be used, and country ranking helps managers determine which countries are most attractive for investment. Thus, by combining these two methods the manager can identify a reduced set, or sets, of potentially attractive markets with meaningful similarities. Hence, a manager can take the cluster of nations they deem most advantageous for their company and apply the ranking to determine which of these countries will be of top priority for them.

All the same, the systematic approach has been criticized as it describes how the decision process should be made instead of how decisions are actually made (Bazerman, 1986). This is further evidenced by several studies which have concluded that firms generally do not adopt a systematic approach (Cavusgil, 1985; Cavusgil & Godiwalla, 1982; Kobrin, 1979; Kobrin, Basek, Blank, & LaPalombara, 1980). An unsystematic approach is also discussed in the literature (Anderson & Buvik, 2002), where is to describe how firms actually behave when selecting a foreign market. Some authors have explained that most firms don't use the systematic approach due to the decision-makers' limited information-processing capacity (Piercy, 1982), while others have noted that many firms are expanding internationally on an opportunistic basis (cf. Bilkey, 1978; Bradley, 1995) – method used by Parfois in its early expansion years. Moreover, the most well-known hypothesis is that firms enter new markets with lowest psychic distance first (Johanson & Wiedersheim-Paul, 1975; Johanson & Vahlne, 1990).

For this project, the method used will be extremely similar to the one developed by Cavusgil, Kiyak, & Yeniyurt (2004) and Papadopoulos et al. (2002) as they provide a concrete and practical way of clustering, ranking and ultimately selecting the best market based on the criteria specific to Parfois.

Methodology

According to Saunders (2007), the two main methodologies are primary and secondary data collection. Whereas the first refers to the original analysis of data and the second is the re-analysis of existing data. In the first phase, the primary data collection, I had the chance to interview several employees of Parfois. I conducted four formal interviews to the Parfois current CEO since 2007, Sérgio Marques, and to the three directors in charge of international expansion. The international expansion in Parfois in sub-divided into three areas regarding geographical location, having Filipe Correia in charge of the brand expansion outside Europe, Claudia Delgado in charge of the Portuguese and Spanish markets, and Marco Almeida in charge of the remaining Europe. The interviews to Sérgio Marques and to Filipe Correia where presential, and the remaining two were conducted over Skype. Moreover, while I was in Rio Tinto I was given a tour to Parfois headquarters and new storehouse, where I was able to understand how the logistics worked and had informal interviews with the logistics director, Nuno Fontes. These interviews were semi-structured interviews as they contain questions and a list of themes to be covered, but questions may be disregarded or added according to requirement and the object of the research (Saunders, 2007). The third stage was to use the all gathered data and analyze it with the help of the GMMSO4 software. The GMMSO, as defined on their own website "is a research and strategic planning management tool designed to help your company enter or expand its presence into foreign markets". This software was used mainly to structure the analysis in order for it to be clear and concise and come to logical conclusions. In order to analyze and create the country clustering and ranking, all the indicators were standardized into z-scores. This is necessary because the data contain measures with considerably different scales, hence in order to minimize the scale effects and to avoid any implicit weighting, the variables were standardized. In addition, the indicators with negative factor loadings were reversed to ensure that the averages were precise in representing the factors. Table 1 below lists all the indicators/indexes used and their source.

Table 1 - Variables and sources of data used in analyses

Variable/Index	Source
Inflation Rate	International Monetary Fund, IMF Data Mapper 2016
Exchange Rates	European Commission, InforEuro 2016
Economic Freedom Index	The Heritage Foundation, 2016
Ease of Doing Business Index	The World Bank, 2015
Worldwide Governance Indicators	The World Bank, 2014
Human Development Index	United Nations, Human Development Report 2014
Logistics Performance Index	The World Bank, 2016
Urban Population	The World Bank, World Development Indicatores 2016
Electricity Production	Central Intelligence Agency, CIA World Fact Book 2016
Energy Consumption Growth Rate	The World Bank, World Development Indicatores 2013/14
Real GDP Growth Rate	International Monetary Fund, IMF Data Mapper 2015/16
Urban Population Growth Rate	The World Bank, World Development Indicatores 2014/15
Percentage of Urban Population	The World Bank, World Development Indicatores 2015
GNI per capita PPP	The World Bank, World Development Indicatores 2014
Private Consumption as Percentage of GDP	The World Bank, World Development Indicatores 2015
Exports as Percentage of GDP	The World Bank, World Development Indicatores 2015
Portugal Exports Value	The Observatory of Economic Complexity
Population Distribution by Income	Pew Research Center
Female population by five-year age group	United Nations, World Population Prospects: The 2015 Revision
Local Purchasing Power Index	Numbeo

For the purpose of this project only Modules 1, 2 and sections of 3 were used as Parfois already had the entry mode defined and the Marketing Plan was out of the scope of the project. The process of applying the software to the project was simply inputting the data collected into the pre-constructed tables and frameworks.

Module 1: Company's Strategic Position

Company Strategic Analysis

Company Background

Manuela Medeiros founded Parfois in 1994 with the vison to create a brand of "exceptional and irresistible fashion accessories, affordable to everyone", in a time when fashion accessories were still not the focus of fashion retailers in Portugal. Parfois sells a wide range of products and relies on its own design, always pursuing the latest worldwide trends. The main goal of Parfois is to become the reference brand for neo-traditional and trendy women, offering consistently good value for money in a wide and dynamic range of fashion accessories, within a pleasant space that can enhance the buying experience. The company's headquarter is located in Rio Tinto, close to Oporto, where the majority of the logistic activities take places. The company has two own teams of design in Oporto and in Barcelona and most of its production is made by subcontractors in China and Honk Kong in order to insure affordable and competitive prices. Parfois supply chain is one of its core competencies as it distinguishes a firm in the marketplace and provides potential access to a wide variety of markets.

Sérgio Marques, Parfois CEO, stated that the success and differentiation of the company are in the design, quality, price, variety and speed with which its products hit the stores. Furthermore, Parfois is always on the vanguard of fashion and supply the latest trends to their consumers. One of its unique resources is the variety and speed with which its products hit the stores, which is also extremely important considering that Parfois business level strategy is strongly focused on the concept of fast fashion. Indeed, each season the unique team of Parfois' designers design and develop 3 500 SKU's, thus being able to have different items in stores every week, giving the consumer an excuse to visit the store often. According to Parfois, 70% of their customers visit the store at least twice a month and 36% visit the store at least once a week, showing that the fast fashion concept is paying off. The second differentiating factor which gives Parfois a competitive advantage over many of its competitors is the shopping experience provided by the stores: the large spaces, simple, clean and bright decoration, and the dynamism of the store and the showcases.

International Involvement

Since the opening of the first store in the street in Oporto, Parfois started to expand internally by opening new stores in shopping malls all over Portugal. At present, Parfois has 618 stores worldwide in 51 countries. When expanding internationally, Parfois uses two main strategies: either a direct entry where they open their own stores as well as franchising stores or by a franchising partner only. Currently, Parfois is only present in four countries with own stores (Portugal, Spain, France and Poland), having about 60% of their stores franchised.

Parfois had three big phases of growth. The first phase, from 1994 up until 2002, was characterized by growing immensely nationally. During this phase Parfois started to grow alongside with the expansion of the network of Sonae Group's shopping centers in the 90s opening new stores in these shopping centers. The international expansion phase began in 2002, when a third party showed interest in opening a store in Saudi Arabia. At the time the company had no intention to expand abroad but after some reflection and analysis decided to take the opportunity. Later in the same year, Parfois decided to expand to Spain thus requiring a more formal international expansion strategy. After expanding to these two countries, Parfois spent three years consolidating its brand in the countries already present instead of further expanding abroad. It is not only until 2005 that Parfois opened new stores in the United Arab Emirates, France and Kuwait. The opening of these new stores helped Parfois to further consolidate the brand in the Middle East and in Western Europe. It is not only until 2007 when Parfois enters the phase in which they are today, where it actively searches for new countries markets. Given this active search for markets to expand to, in 2007 Parfois took a big leap and decided to make a great investment internationally and expanded to five countries. The international expansion kept at the high pace ever since and this phase is truly market by a rapid international growth, where Parfois expanded on average to 5 new countries every year from 2007 until 2015, in a total of almost 200 stores.

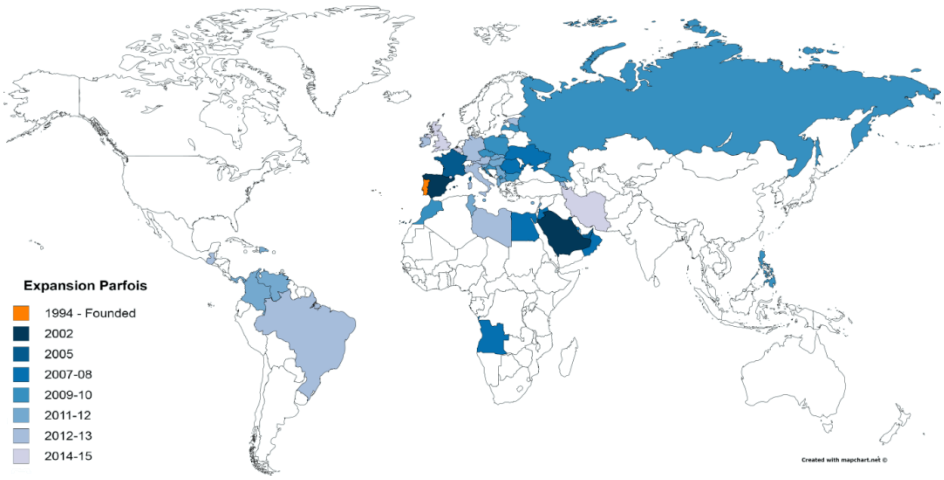

Figure 1 – Parfois International Expansion thought time (Source: Parfois.com and information provided by Parfois)

Figure 1 shows the international expansion of Parfois thought the years-. Interestingly, it is only in 2012 that Parfois makes the jump to the Latin America, after expanding to Asia (they expanded to the Philippines in 2010) and Africa (the firm expanded to Angola in 2007). Moreover, Brazil was the last country the firm entered in Latin America, which goes against the theory that firms expand first to the countries where they have lowest psychic distance. Furthermore, only very recently they expanded to

Italy and Germany. This may be due to the high costs incurred in these more developed countries, where rents are higher. It is also important to state that one of the most important things to Parfois when opening a store is their location. Indeed, they always focus on opening stores where there is high visibility and flow of people. Due to this fact, finding the correct franchising partner is imperative so that the stores can be placed at the perfect locations. According to this strategy of raising brand visibility, Parfois has the strategy of opening stores in the airports in order to increase their visibility and brand awareness to tourist all around the world - in the UK their only store is in the Stansted Airport, they also have a store in the Lisbon, Munich and Madrid airport.

In addition to the countries where Parfois has a physical store, the company also has an online store which is available in 26 countries enabling Parfois to reach 8 countries where it has no physical presence, notably Denmark, Finland, Greece, the Netherlands, Lithuania, Luxembourg, Monaco and Sweden. Moreover, recently Parfois' strategy has been to solidify their presence in the current markets, France and Italy, where they already has about 230 stores, and France (26 stores). This justifies why the rate of expansion to new countries decreased in the last few years.

Although Parfois operates in several countries very different from each other, the bulk of the collection has to serve for every country in order to have a brand identity. They do not design and develop products just because it would fit the needs of a certain country unless it fits the brand image. Hence, most of the product offer is common to all markets. Nevertheless, when a certain market has a specific need they try to adjust their offer to satisfy that need, but always staying in their style.

Target Market Profile

Parfois' end users are urban and modern young women, early adopters and followers highly sensitive to the latest fashion trends, price-conscious. Regarding the age group, it can be considered very broad, but focused on women from 20 to 40 years old. Parfois target market in foreign countries is extremely similar to the domestic market. Nevertheless, one of the characteristics of the Portuguese market which allowed for Parfois' success was the impulsive nature of women as a shopping habit, due to the concept of fast fashion and the fast replacement and rotation of products in store. Moreover, as mentioned before, most of Parfois' collections are identical in all markets, and they only adjust their offer to a certain market if it fits its brand image. Another important factor to take into consideration is the shopping pattern of behavior which may differ from market to market.

Analysis External Environment

Pestel Analysis

Political: Parfois is a well-known brand that has business in different countries around the world. On the most emerging countries where Parfois operates, the strict government rules results on an extremely high risks for the business. Therefore, before entering on an emerging country revenue must be measure against the risk of entering on that market. Moreover, Parfois manufactures its products abroad hence it is subject to custom duties	Economical: Companies should take into consideration the forecasted economic growth of a market before enter in it. Interest rates and inflation should also be taken under consideration since a small variation on, for example, the exchange rate of a country may cause a great increase on the importing and exporting costs. Moreover, one of the market characteristics Parfois values is the economic growth potential and intensity because Parfois always has the intention of opening more than one store per country.
Social: The social factors that seem to excel on the fashion industry are the spending habits of potential customers that are elastic to the economic stability. In Parfois' case, it's mandatory to know the demand spending patterns, as well as what will the fashion trends of the market are in the short-term future.	Technological: On the fashion industry, new and breakthrough technologies are used mainly only for efficiency reasons. Parfois is always aware of the new technologies trying to reduce costs so it can produce better products that are more competitive in the market. Moreover, technology has been changing the way everyone does almost everything, even the way we shop. This brings new and different competitors to the industry and forces companied to be always adapting.
Environmental: Raising concerns regarding environment can highly impact Parfois operations. New laws and enforcements are being set regarding renewable energies, energy efficiency and reducing waste.	Legal: Before entering a new market, Parfois must cover all legal obligations. As a company, being aware of all legal formalities ensures that the company is operating accordingly to the country's law in order to avoid legal problems which might be costly and endangers the firm's reputation. Moreover, legal cost such as taxes and labor costs can highly impact profit margins.

Porter Five Forces

THREAT OF NEW ENTRANTS – MEDIUM LOW

(1) Capital Intensive. In order to enter the fashion retail market at the dimension that Parfois has, a firm must be extremely capital intensive. Indeed, Parfois has gained much expertise and assembled an extensive supply chain which gives them scale economies in order to insure affordable and competitive prices. Physical stores are very capital intensive and setting up distribution networks to compete against the big retail players can be the biggest entry barrier.

(2) Marketing costs and brand awareness. Many of its fashion retailers already have high brand awareness in several markets, hence the need to spend resources in advertising and in-store promotion is lower. Parfois' brand equity is highly valued to consumers and one of its differentiation factors ensuring customer loyalty, which is costly and takes time to build.

(3) New technologies. New technologies and new ways of doing business are constantly changing the industry. New players, such as on-line stores, can enter the market with very few costs of entry.

THREAT OF SUBSTITUTES – MEDIUM

(1) No direct substitutes. There are no direct substitutes for apparel and fashion accessories.

(2) Not a necessary good. Parfois' core business is the retail of fashion accessories, which are not a necessary good (i.e. women are not obliged to wear earrings or handbags). Hence, there are many alternatives for customers to spend their money (opportunity cost).

(3) Substitutes to retail. Online stores provide another channel in which apparel can be marketed and sold. An online presence increases customer base, brand recognition and provides retailers a way to decrease traffic in their physical stores

BARGAIN POWER OF SUPPLIERS – LOW

(1) Liberalization of the global trade. Supplier power in the global industry is decreased through competition from manufactures in low-wage regions, mainly China

(2) Medium switching costs. Specific products can demand more of expertise, giving a little more bargain power to the suppliers on those special occasions. Moreover, suppliers need to ensure quality and respond to fast changes in demand.

(3) Low differentiation among suppliers.

(4) Low price of fabric.

BARGAIN POWER OF BUYERS – HIGH

(1) Zero switching costs. Buyers are free to switch one's purchasing preference from one brand to another,

(2) Lower brand loyalty. Brand loyalty is more likely for designer accessories, while general apparel has poorer brand loyalty.

(3) Buyers are individuals. There is weak buyer negotiation power as it mostly consists of individuals.

RIVALRY AMONG EXISTING FIRMS – HIGH

(1) Zero switching costs. Customers do not any switching cost among the fashion market industry, forcing companies to reduce the price and attract new customers.

(2) Similar price range between competitors. The price range is fairly common between competitors, being the most differentiation factor the quality and design of the products as well as the amount of products offered. Moreover, the number of companies on this segment is also very significant erasing any possibility for a premium price in the products.

(3) Rivals compete in several different countries. Zara and many other who compete in the fashion accessories retail industry are present in several countries, some of them in which Parfois is still not present. Hence, in order to enter these markets where its competitors are already established, Parfois will not only have to gain customers, but it will have to steal them from the competition.

(4) High exit barriers. The fashion industry has high exit barriers due to high fixed costs and inventory, which may lead to an increase in rivalry.

S.W.O.T Matrix

STRENGTHS	WEAKNESSES
(1) Price-quality ratio. The products offered by Parfois have the perfect balance between quality and price – they have the design and intrinsic quality, while maintaining an affordable price, hence providing the best "value and fashion for money". Indeed, Parfois differentiates itself from many other fashion accessory brands such as Accessorize and Claire's by offering products with much higher quality at affordable prices. (2) Modern and minimalistic store design. Parfois store design is extremely modern and simple, (3) Fast-changing collections. Considering that Parfois target market is women highly sensitive to fashion trends, having new products in store every week is an incredibly strength. Indeed, Parfois product offer goes well beyond its competitors (4) New high-tech logistics center. In order for Parfois to satisfy all its current demand it just moved all its logistic operations to a new warehouse where they do most of the shipping of its product to their worldwide stores, the quality control check and several other activities. This new warehouse is equipped with the newest technology and allows Parfois to be more efficient.	(1) Logistically restrained. Parfois is still logistically restrained by its team of designers and its supply chain and currently it can only satisfy the demand in one continent, as being present in both would imply different product lines and double the inventory, and logistically Parfois is not prepared for it. Indeed, when asked if Australia could be a possible target market for expansion Parfois CEO clearly stated that it would be logistically impossible. (2) Financial restrictions. Parfois is still in a development phase, thus although the existing profits are increasing at an extraordinary high rate, the ability for it to raise funds in order to open new stores and expand to new countries is still limited, especially when compared to their main competitors (3) Brand image closely tagged with competitors. According to Parfois' CEO the firms biggest competitor is Zara given that it has not only the same target market as Parfois and it also follows the concept of high fashion by having new products in stores every week and also a clean and simple store visual.
OPPORTUNITIES	**THREATS**
(1) Parfois does not compete directly with strongest competitors. One of Parfois' competitive advantage is the fact that there are not many company's which focus of the merchandise of high quality women accessories at an affordable price that target the same consumer. Indeed, most of Parfois' competitors do not have as core business the retail of fashion accessories, thus giving Parfois a strategic advantage, thus their offering of fashion accessories is considerably lower than Parfois. (2) Expansion to different markets. Parfois is expanding to new markets where its main competitors are still not there, thus giving them incumbents advantages	(1) Competitors are starting to increase their offer of accessories. Competitors have been increasing their offerings of fashion accessories, hence threatening Parfois strategic position. (2) New non-conventional and technological players. Technology has changed the way everyone does almost everything, even the way we shop. Nowadays there are stores that only operate online, such as Asos, or in the social networks. Hence, if Parfois wants to keep its market share it must take advantages of these new opportunities. In fact, Parfois already has an online store and it is also present in the social networks, but their online store is only available in 26 countries.

Global Readiness

Before analyzing the target markets for which Parfois should expand to, it is extremely important to ask the question of whether the company should further expand internationally. Parfois has been having a rapid expansion, however its main focus currently is to solidify its position in the countries where it already operates and expand to fewer and more strategic markets per year , thus still having international expansion as part of their strategy. Moreover, Parfois wants to maintain its sales growth rate of 30% a year and so new markets will have to be explored, given that Parfois has a great influence in the Portuguese and Spanish market and these are almost saturated. Hence, the company should continue to expand abroad in order to maintain growth, but select the international market in order to efficiently allocate resources. Based upon Parfois' score of 87 out of 110 (79%), the GMMSO software suggested preceding with the following entry modes: Foreign Marketing Presence: Foreign Sales Branch, Foreign Sales/Marketing Subsidiary or Company Owned Retail Store(s). (for data inputted in the GMMSO4 Software consult Appendix II – Global Readiness)

Module 2: The Search for Global Markets

Having established that Parfois should further expand internationally, a search for global market is going to be performed. This module is going to be divided in three sub-sections: a Macro Level Criteria Selection & Data Collection; In-depth market analysis; and The Best Target market.

Macro Level Criteria Selection & Data Collection

In this sub-section, the approach of Cavusgil, Kiyak, & Yeniyurt, 2004 will be followed by combining a country clustering and a country ranking analysis.

Country Clustering

As already discussed in the Literature Review, country clustering yields a group of countries with similar commercial, economic, political, and cultural dimensions. These similarities not only help managers compare the countries, but also provide information on possible synergies among markets (Cavusgil, Kiyak, & Yeniyurt, 2004). This is an important exercise for Parfois considering that as analyzed before, the firm usually focuses on similar countries. The goal in this section is therefore to cluster countries that are as similar as possible taking in consideration four dimensions: economic stability, governance, human development, and logistics performance.

The first dimension, economic stability, is extremely important in order to determine is a certain market has excessive fluctuations in its macroeconomic, and hence low risk associated with it. This dimension is composed of two indicators and two indexes: Inflation rate, exchange rate volatility, economic freedom index, and ease of doing business index. Low and stable inflation is a great indicator of economically stability and creates the necessary conditions for sustainable long-term growth. Exchange rate volatility measures the risk of a certain economy, given that volatile exchange rates make international trade and investment decisions more difficult, it increases transaction costs and reduces the gains to international trade, which creates uncertainty for the exporter's earnings. In an economically free society, individuals are free to work, produce, consume, and invest how they please, and governments allow labor, capital, and goods to move freely, and refrain from coercion or constraint of liberty beyond the extent necessary to protect and maintain liberty itself. As a proxy for this dimension the Economic Freedom Index (EFI) was used. This index measures economic freedom based on 10 quantitative and qualitative factors, grouped into four broad categories of economic freedom: rule of law; limited government; regulatory efficiency; and open markets. The ease of Doing Business Index (DB) is based on the study of laws and regulations in order to establish the optimal level of business regulation. A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm, hence it an extremely important index for this project. This index ranks a nation based on the average of 10 sub-indices: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency.

Governance consists of the traditions and institutions by which authority in a country is exercised and good governance has been closely linking to successful development (Kaufmann & Kraay, 2002). In order to measure the governance dimension, a proxy of the Worldwide Governance Indicators was used, as it already aggregates six important indicators of governance. These six indicators are: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption. This dimension has a high correlation with the latter one (0.71), considering that good governance in highly conductive to economic stability. The third dimension, human development, was measured using The Human Development Index (HDI), as it is already a very complete and widely used index. Human development is defined as the process of enlarging people's freedoms and opportunities and improving their well-being. The HDI measures key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living. The health dimension is assessed by life expectancy at birth; the education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age. The standard of living dimension is measured by gross national income per capita. Lastly, the fourth dimension in the cluster analysis is the logistics performance. This dimension was included in the cluster analysis given to the fact that logistics performance is extremely important to Parfois, given that its market strategy is highly based on fast fashion and thus it must ship new products to every store around the world very often. Accordingly, the Logistics Performance Index (LPI) was used to measure the performance along the logistics supply chain within a country. The LPI measures the efficiency of customs and border management clearance, the quality of trade and transport infrastructure, the ease of arranging competitively priced shipments, the competence and quality of logistics services—trucking, forwarding, and customs brokerage, the ability to track and trace consignments, and the frequency with which shipments reach consignees within scheduled or expected delivery times

Once all the secondary data was retrieved, the indicators had to be standardized in order to be comparable and transferable. Indeed, Hair, Anderson, Tatham, and Black (1995) point out that factor scores are unique to a particular set of data and are not replicable in other studies. Therefore, for each of the indicators each variable was transformed into z scores. This is necessary because the data contain measures with considerably different scales, thus in order to minimize the scale effects and to avoid any implicit weighting, the variables were standardized. In addition, those with negative factor loadings (inflation rate, exchange rate volatility and DB) were reversed to ensure that the averages were precise in representing the factors.

The clusters were developed with the help of the NCSS Statistical software to create hierarchical clusters. Initially all countries in the world were selected to be studies and form clusters and information was gathered from publicly available secondary data sources. However, due to missing data, a number of countries had to be filtered out, leaving a final set of 126 countries. Moreover, Parfois already operated in several countries, so these had to be taken out of the study as they would not be available for Parfois to expand to. This reduced the country set by another 45 countries, leaving the total sample with 81 countries. As mentioned before, Parfois is not able to satisfying the demand in both continents as it would imply different product lines and double the inventory, and logistically Parfois is not prepared for it. This diminished the set of available countries by 25. In the end, the set of countries where Parfois could possibly expand to was 56, which are presented in clusters in the table below.

The first cluster contains the countries with lowest ratings in the dimensions described above, and cluster six contains the countries with highest classification. The results from the country clustering were extremely interesting wen taking into consideration the countries where Parfois had already expanded to. Cluster 4 had a total of 21 countries initially, from which 16 Parfois was already present. If the countries in the Southern Hemisphere are subtracted, as they are not admissible for Parfois, we can see that from the 20 possible countries for which Parfois could expand, it already entered 16, corresponding to 80% of the countries in the cluster. Hence it is obvious that this cluster is the one with most desirability to Parfois, and it should be the one considered for international expansion. Moreover, although cluster 5 is composed of countries with highest classification in the dimensions, these are also the countries where competition is higher and more intense, and thus not as attractive for Parfois. Indeed, Parfois is only present in 25% of the possible markets.

Country Ranking

The second principal method for identifying target markets is to rank countries on some meaningful indicators of market potential. This approach complement country clustering because while clustering identifies markets in terms of macro similarities, it does not indicate which countries may be more attractive for trade or investment purposes. Hence, the objective of ranking is to order countries on the basis of aggregate market potential (Cavusgil, Kiyak, & Yeniyurt, 2004).

Cavusgil, Kiyak, & Yeniyurt, 2004 created a set of seven dimensions meant to evaluate market potential. In this study the seven dimensions were market size, market growth rate, market intensity, commercial infrastructure/access to customer, market receptivity, free market structure and country risk. From these seven indicators, three were already partially or fully included in the market clustering method, specifically commercial infrastructure/access to customer which was measured by the Logistics Preformance Index (LPI); free market structure which was partly evaluated in economic stability by the Economic Freedom Index; and country risk which is a proxy for the governemnt dimension in the country cluster method. This ranking method used in this project is extremely similar to the approach recommended in Cavusgil, Kiyak, & Yeniyurt, 2004, however the dimensions described above which were already present in country clustering were not included in the country ranking and some dimensions suffered small modifications. Hence, the approach used for country ranking in this project has a total of four dimensions: market size; market growth; market intensity; and market receptivity. The data was retrieved from publicly available secondary data sources, as it is presented in Table 1.

The first dimension, market size, used the exact same indicators as in the Cavusgil, Kiyak, & Yeniyurt, 2004 apprach: urban population and electric production. In the market growth dimension an extra indicator was included: urban population growth rate. The third dimension of this approach, market intensity, was composed by three measures: percentage of urban population, GNI per capita PPP, and private consumprion as percentage of GDP. Finaly, the market receptivity was also very similar to the one in the Cavusgil, Kiyak, & Yeniyurt, 2004, however, instead of U.S. imports per capita the indicator used was the Portugal Export Value per country, since the firm in question is Portuguese. The weights given to each dimension was 30 % for all except for market receptivity which only weighted 10% was it is considered the least important. Again, the set of countries had to be reduced due to the lack of compleate secondary information regarding all markets. Due to this, the final set of admissible countries fow Parfois' expansion was 41.

Final Approach: Country Clustering and Country Ranking

Both approaches presented above have their advantages and disadvantages. Indeed, country clustering groups countries regarding their similarity but does not reveal much about market potential. On the other hand, country ranking identifies the most attractive markets but does not help the manager understand similarities and differences among them. Therefore, using only one method may lead to suboptimal decisions (Cavusgil, Kiyak, & Yeniyurt, 2004). Hence, by combining these two methods, one has more information and thus can reach a better decision.

Table 2 – Country Cluster and Country Ranking

Cluster 1	Rank	Cluster 2	Rank	Cluster 3	Rank	Cluster 4	Rank	Cluster 5	Rank
Nicaragua	26	India	4	China	1	Iceland	23	United States	2
Niger	30	Mongolia	14	Malaysia	10	Korea South	33	Singapore	3
Cameroon	37	El Salvador	67	Mexico	22	Israel	45	Japan	12
Togo	42	Kazakhstan	73	Turkey	25	Lithuania	90	Norway	16
Nigeria	52	Bosnia and Herzegovina	102	Thailand	56			Switzerland	17
Ghana	53	Trinidad and Tobago	111	Costa Rica	57			Netherlands	18
Cambodia	62			Montenegro	74			Canada	24
Benin	63			Jamaica	81			Sweden	46
Bangladesh	64			Greece	104			Denmark	55
Pakistan	66							Finland	88
Senegal	95								
Nepal	97								

Presented above is the final approach which combines the two methods above. As mentioned before, Cluster 4 is the most attractive to Parfois and hence the chosen countries for the in-depth analysis are going to be the three counties with highest ranking from cluster 4: Iceland, South Korea and Israel.

In-depth market analysis

Having the Macro Level Criteria Selection & Data Collection done, it is important to analyze the chosen markets on an in-depth basis. In this sub-section the market and sales potential of Parfois will be analyses, as well as the competitive analysis and country entry conditions

Market and sales potential

An important part of the market analysis is determining the market sales potential. In order to do so the field of three countries was narrowed down to two, the Korea Rep. and Israel. These were chosen because they were clearly the most favorable markets for Parfois after considering the various criteria and using the GMMSO software to run the numbers. The following table shows the calculations done to calculate total market potential. The number of potential customers uses the percentage of urban population and total female population of aged from 20 to 40 as its base number given that it is Parfois target market. Parfois states in their web-site that at least 70% of their customers visit the store twice a month, and that 36% visit it every week. Hence, the average customer visits the store an average of 2,84 times a months, which multiplied by twelve gives us the 34,08 times a year. Moreover, Parfois' website was analyzed in order to determine the average price of its products, which yielded an average of 10,56€ (prices according to the Portuguese market). In regards to the products purchased by visit, an assumption was made that each customer buys two products. (See Appendix V – Market and Company Sales Potential for clarity)

Table 3 – Market and Company Sales Potential

Market and Company Sales Potential	Iceland	Korea, Rep.	Israel
No. potential (eligible/qualified) consumers	42.523	5.029.383	866.208
Frequency of purchase on an annual basis	34,08	34,08	34,08
Shopping expenditure	26,07	33,48	32,08
Total market potential	37.777.130	5.739.038.820	946.931.448
Desired Market Share	1,2%	1,2%	1,2%
Company Sales Potential	453.326	68.868.466	11.363.177

Competitive Analysis

As already mentioned thought this project, Parfois' major competitor is Zara (according to Sérgio Marques, Parfois' CEO). The reasoning behind this is that Zara offers a similar product price level with good quality, the store environment is also simple and clean, and it also follows the concept of fast fashion by Fashion accessory industry considering that most consumers view Zara as a clothing store and not accessories staying current to the newest trends. Nevertheless, Parfois still has the competitive advantage as Parfois offer of accessories is extensively larger. Similar to Zara, Parfois also has to compete against Mango and H&M, however these are further away from the differentiating factors of Parfois and have the same down-side of Zara. Moreover, there are also fashion accessories only brands present in the market, such as Accessorize and Misako, however the quality of their products are inferior to Parfois and their target market isn't the same. Moreover, these brands are not in the markets selected for analysis, thus they are not part of the competition in them.

Both countries have fierce competition, as was expected considering its size. Indeed, Zara, H&M and Mango are already present in both South Korea. Indeed, Zara has 43 stores in Korea (20 stores in Seoul alone) and 23 in Israel, H&M has 26 stores in South Korea and 19 in Israel and Mango has 16 in Israel and 7 in South Korea. Moreover, there are also strong internal competitors in both markets. Stylenanda is a South Korean store with 28 physical stores in the country and in Israel there is a national firm called Castro, which has a very strong market position, owning a total of 148 all over Israel. These stores sell both clothing and accessories, although it is not its core business, thus giving Parfois a strategic advantage in this area.

Country Entry Conditions

The entry conditions are an extremely important factor to have in consideration when entering a new market. Resorting to the Ease of Doing Business, Korea ranks the 4th place, thus meaning that the regulatory environment in South Korea is the 4th most conducive to the starting and operation of a local firm. Israel falls behind to the 53rd place, mainly due to the low scores in four dimensions: registering property, paying taxes, dealing with construction permits, and dealing with construction permits, where the country where the country has scores below average, ranking in the bottom half. Regarding the Logistic Performance Index, Korea ranks 24th and Israel 26th, being in the top 20% countries. (the complete tables with each index dimension and score for the selected countries are presented in Appendix VI – Tables Country Entry Conditions)

Regarding corporate tax, in Israel, capital gains are subject to the standard corporate tax rate. Dividends from foreign sources are subject to a 25% tax with a credit for foreign withholding tax, and in certain circumstances, at the standard corporate tax rate on the grossed up dividend with a credit granted on all foreign taxes paid by the direct and second tier subsidiary on the dividend and the income from which it is distributed. In Korea Rep. the corporate tax rate is 11% (including 10% of local income tax) up to 200 million Korean Won (158 612 Euros), 22% (including 10% of local income tax) over 200 million to 20 billion Korean Won and 24.2% (including 10% of local income tax) over 20 billion Korean Won (KPMG International Cooperative, 2016). Hence the maximum tax rate in Korea is lower than in Israel. On the other hand, Korea's Labor Freedom score is much lower than Israel, ranking the country in 130 out of 178 countries analyzed, while Israel ranks 66th. Overall, the entry conditions are favorable in both countries, with a slight emphasis in South Korea.

The Best Target market

Considering this in-depth analysis, the market most appropriate market for Parfois' expansion was selected with the aid of the GMMSO software: the final chosen market selected was South Korea. There are several reasons behind this choice, being the most important one the fact that Parfois' sales potential is 6 times higher in South Korea than in Israel, however the amount of stores of close international competitor stores (Zara, Mango and H&M) is only twice as high in South Korea. Moreover, Israel has a national competitor – Castro – extremely influent with 148 stores in the country (three times more stores as Zara, Mango and H&M together). Moreover, the conditions of entry of extremely similar in both countries, with a slight incline for South Korea.

Conclusion & Recommendations

In conclusion, this work project attempts to provide insight into the International Market Selection process for a growing firm which needs to allocate its resources efficiently by providing a practical example of this IMS process for Parfois. The paper began with a literature review that underpinned the theory behind IMS practices. This was followed by the methodology chapter which explained how the analysis was developed. Module 3 was composed of two parts: the Macro level analysis and the In-depth analysis. The macro level analysis followed the approach of Cavusgil, Kiyak, & Yeniyurt, 2004 by using the country clustering and ranking methods togther. Then the in-depth analysis was conducted with the aid of the GMMSO software.

My recommendation for Parfois is to first focus on the cluster markets they wish to enter, only passing to the successive cluster once the first is saturated. The clusters resultant from this study might be different than the "real" Parfois ones, taking into consideration that they lacked product specific indicators, not all information was available, and the weight of each criteria may differ. Nevertheless, the cluster analysis conducted in this paper demonstrated that Parfois has a clear preference for cluster 4, followed by cluster 3 and 2, and thus Parfois should pay close attention to these clusters' markets, especially the ones with higher market potential marking (such as China, Malaysia, México, Greece and India).

Limitations & Implications

There are several aspects of the study which limited the results and give some directions for future research. Firstly important data was necessary but unobtainable as it is private company information, thus an internal analysis might lead to other results. Several assumptions and estimates were made in order to fill the gap when there was missing information which might be wrong and thus alter the results. Moreover, several potential target markets had to be removed from the study due to lack of information in the macro level analysis. Obviously this has severe implications, as the "optimal" target market may not have been analyzed.

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Appendix I – Countries where Parfois currently operates

Country	Opening Year	N. Stores
Portugal	1994	122
Saudi Arabia	2002	28
Spain	2002	230
France	2005	26
Kuwait	2005	4
United Arab Emirates	2005	11
Angola	2007	4
Jordan	2007	4
Oman	2007	2
Romania	2007	5
Ukraine	2007	11
Bahrain	2008	1
Egypt	2008	6
Croatia	2009	3
Poland	2009	22
Bulgaria	2010	3
Czech Republic	2010	2
Georgia	2010	13
Kosovo	2010	2
Latvia	2010	3
Morocco	2010	6
Philippines	2010	11
Russia	2010	8
Albania	2011	2
Cyprus	2011	4
Hungary	2011	5
Lebanon	2011	4
Malta	2011	2
Qatar	2011	2
Serbia	2011	5
Slovakia	2011	1
Slovenia	2011	3

Country	Opening Year	N. Stores
Colombia	2012	6
Dominican Republic	2012	3
Macedonia	2012	2
Panama	2012	2
Tunisia	2012	3
Venezuela	2012	5
Armenia	2013	3
Austria	2013	3
Estonia	2013	1
Guatemala	2013	3
Ireland	2013	6
Libya	2013	1
Brazil	2014	2
Germany	2014	4
Italy	2014	15
Andorra	2015	1
Belgium	2015	1
Iran	2015	1
United Kingdom	2015	1

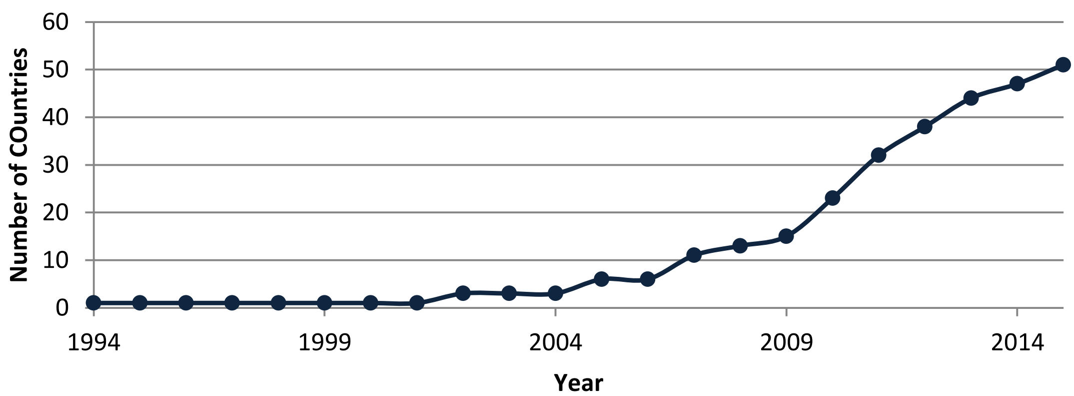

Figure 2 – Parfois Expansion: Total number of countries present per year

Appendix II – Global Readiness

Is the foreign market similar to the domestic market?	4
Is the end user of the product in the foreign market the same as in the domestic market?	4
Is the product successful in the domestic market?	4
Is the product unique?	4
Does the product perform the same function in the foreign market as it does in the domestic market?	5
Are the product use conditions the same in the foreign market as they are in the domestic market?	5
Does the product need modifications to meet the needs of the customers in the foreign market?	4
What is the stage of the product's life cycle in the home market?	4
What is the stage of the product's life cycle in the international market?	4
Does the product require after-sales service?	5
Is the company in a position to provide after sales-service to its customers in the foreign market?	4
Would export orders hurt domestic sales?	4
Does the company have the financial resources necessary for export?	3
Does the company have in-house personnel with export related knowledge/experience?	5
Is international/global participation part of the mission statement of your company?	4
Is international expansion a part of the strategic business plan of the company?	5
Would the company be willing to investigate export market opportunities?	4
Would the company be willing to attend and/or participate in trade shows abroad?	3
Is the company willing to translate company literature into one or more foreign languages?	5
Are the company's top competitors involved internationally?	1
Is the industry highly regulated?	4

Table 4 – Entry Modes and Company Readiness

Score	Suggested Export Method	Score	Suggested Export Method
0 – 19	Not Ready to export	50 – 69	Direct Exporting
20 – 29	E-Commerce	70 – 89	Foreign Marketing Presence
30 – 39	Indirect Export	90 – 100	Foreign Manufacturing
40 – 40	Contractual Arrangements		

Appendix III – Tables for Country Clustering

Table 5 – Country Ranking Dimension Scores and Final Clusters

Country	Economic Stability (standardized)	WGI - Governance (standardized)
Albania	0,26	-0,23
Angola	-1,35	-1,36
Armenia	0,24	-0,49
Australia	0,80	1,65
Austria	0,83	1,54
Bahamas	0,24	0,72
Bahrain	0,41	-0,25
Bangladesh	-0,93	-1,10
Belarus	-2,66	-0,97
Belgium	0,69	1,27
Benin	-0,03	-0,60
Bhutan	-0,49	0,13
Bolivia	-0,89	-0,89
Bosnia and Herzegovina	0,27	-0,43
Botswana	0,11	0,53
Brazil	-0,95	-0,26
Brunei Darussalam	0,33	0,52
Bulgaria	0,65	-0,07
Burkina Faso	0,01	-0,81
Cambodia	-0,33	-1,01
Cameroon	-0,38	-1,28
Canada	0,81	1,68
Chad	-0,61	-1,70
Chile	0,45	1,15
China, People's Republic of	-0,25	-0,70
Colombia	0,08	-0,50
Comoros	-0,30	-1,12
Congo, Democratic Republic of	-0,78	-1,97
Congo, Republic of	-0,71	-1,35
Costa Rica	0,15	0,54
Côte d'Ivoire	-0,03	-0,96
Croatia	0,43	0,31
Cyprus	0,70	0,95
Czech Republic	0,75	0,84
Denmark	1,06	1,77
Dominican Republic	-0,09	-0,45
El Salvador	0,22	-0,32
Equatorial Guinea	-0,78	-1,83
Estonia	1,02	1,18
Finland	0,93	1,91
France	0,62	1,09
Gabon	-0,17	-0,82
Georgia	0,41	0,24
Germany	0,98	1,61
Ghana	-1,38	-0,23
Greece	0,19	0,08
Guatemala	-0,05	-0,89
Guinea-Bissau	-0,35	-1,63
Guyana	-0,32	-0,60

Country	Economic Stability (standardized)	WGI - Governance (standardized)
Haiti	-1,07	-1,53
Hong Kong SAR	0,99	1,51
Hungary	0,50	0,40
Iceland	0,71	1,49
India	-0,74	-0,54
Indonesia	-0,57	-0,45
Iran	-1,86	1,55
Ireland	1,08	0,56
Israel	0,52	0,32
Italy	0,51	-0,16
Jamaica	-0,12	1,39
Japan	0,53	1,36
Jordan	0,06	-0,30
Kazakhstan	-0,48	-0,72
Kenya	-0,50	-0,86
Korea, Republic of	0,66	0,68
Kuwait	-0,06	-0,40
Latvia	0,87	0,70
Lebanon	-0,13	-1,07
Lesotho	-0,76	-0,43
Liberia	-1,22	-1,11
Lithuania	1,02	0,81
Luxembourg	0,75	1,74
Macedonia, FYR	0,79	-0,05
Madagascar	-0,77	-1,09
Malaysia	0,45	0,39
Maldives	-0,42	-0,35
Mali	-0,07	-1,15
Malta	0,46	1,03
Mexico	0,15	-0,47
Mongolia	-0,48	-0,28
Montenegro	0,57	-0,04
Morocco	0,26	-0,50
Mozambique	-0,94	-0,82
Namibia	-0,41	0,11
Nepal	-0,91	-0,98
Netherlands	0,91	1,74
New Zealand	0,91	1,93
Nicaragua	-0,48	-0,81
Niger	-0,22	-1,01
Nigeria	-1,49	-1,56
Norway	0,60	1,81
Oman	0,32	0,06
Pakistan	-0,74	-1,39
Panama	0,17	-0,06
Papua New Guinea	-0,73	-0,79
Philippines	-0,09	-0,43
Poland	0,68	0,80
Portugal	0,73	0,88
Qatar	0,30	0,49
Romania	0,52	0,00
Russian Federation	-1,11	-0,96
Rwanda	0,11	-0,23

Country	Economic Stability (standardized)	WGI - Governance (standardized)
São Tomé and Príncipe	-0,58	-0,61
Saudi Arabia	0,00	-0,48
Senegal	-0,04	-0,31
Serbia	0,18	-0,15
Singapore	1,20	1,62
Slovakia	0,73	0,63
Slovenia	0,57	0,76
South Africa	-0,33	0,04
Spain	0,77	0,69
Sweden	0,87	1,78
Switzerland	0,88	1,89
Tajikistan	-0,82	-1,32
Thailand	0,28	-0,53
Togo	-0,22	-1,13
Trinidad and Tobago	-0,21	-0,11
Turkey	-0,33	-0,33
Uganda	-0,55	-0,92
Ukraine	-2,79	-1,12
United Arab Emirates	0,54	0,59
United Kingdom	0,79	1,47
United States	0,82	1,19
Uruguay	-0,33	0,77
Zambia	-1,03	-0,51

Country	HDI (standardized)	LPI Score (standardized)
Albania	0,07	-0,97
Angola	-1,21	-1,24
Armenia	0,08	-1,29
Australia	1,36	1,26
Austria	1,04	1,77
Bahamas	0,44	-0,42
Bahrain	0,66	0,49
Bangladesh	-0,96	-0,56
Belarus	0,49	-0,99
Belgium	1,08	1,78
Benin	-1,54	-0,94
Bhutan	-0,74	-1,11
Bolivia	-0,38	-1,23
Bosnia and Herzegovina	0,07	-0,66
Botswana	-0,15	0,07
Brazil	0,22	0,13
Brunei Darussalam	0,86	-0,22
Bulgaria	0,39	-0,32
Burkina Faso	-2,03	-0,45
Cambodia	-1,06	-0,34
Cameroon	-1,33	-1,39
Canada	1,22	1,49
Chad	-2,10	-1,37
Chile	0,71	0,39
China, People's Republic of	0,04	1,05
Colombia	-0,01	-0,65

Country	HDI (standardized)	LPI Score (standardized)
Comoros	-1,39	-0,69
Congo, Democratic Republic of	-0,83	-1,02
Congo, Republic of	-1,83	-1,02
Costa Rica	0,29	-0,58
Côte d'Ivoire	-1,65	-0,66
Croatia	0,61	0,24
Cyprus	0,82	-0,01
Czech Republic	0,95	1,07
Denmark	1,29	1,31
Dominican Republic	-0,04	-0,61
El Salvador	0,07	-0,48
Equatorial Guinea	-0,86	-1,83
Estonia	0,89	0,57
Finland	1,03	1,47
France	1,06	1,44
Gabon	-0,24	-1,33
Georgia	0,21	-1,07
Germany	1,24	1,98
Ghana	-0,90	-0,56
Greece	0,92	0,37
Guatemala	-0,60	-0,86
Guinea-Bissau	-1,92	-1,03
Guyana	-0,54	-0,55
Haiti	-1,51	-2,09
Hong Kong SAR	1,20	1,72
Hungary	0,68	0,68
Iceland	1,14	0,55
India	-0,72	0,67
Indonesia	-0,24	-0,05
Iran	0,28	-0,66
Ireland	1,24	1,26
Israel	1,10	1,05
Italy	0,97	1,22
Jamaica	-0,02	-0,99
Japan	1,08	1,56
Jordan	0,17	-0,08
Kazakhstan	0,43	-0,42
Kenya	-1,10	0,52
Korea, Republic of	1,13	1,15
Kuwait	0,61	0,23
Latvia	0,62	0,52
Lebanon	0,31	-0,47
Lesotho	-1,43	-1,58
Liberia	-1,86	-1,31
Lithuania	0,75	1,01
Luxembourg	1,09	1,96
Macedonia, FYR	0,17	-0,81
Madagascar	-1,34	-1,39
Malaysia	0,37	0,68
Maldives	-0,09	-0,81
Mali	-1,92	-0,82
Malta	0,75	0,10

Country	HDI (standardized)	LPI Score (standardized)
Mexico	0,22	0,16
Mongolia	0,04	-0,81
Montenegro	0,52	-1,02
Morocco	-0,59	-0,55
Mozambique	-1,94	-0,53
Namibia	-0,59	-0,44
Nepal	-1,10	-1,02
Netherlands	1,28	1,91
New Zealand	1,23	0,62
Nicaragua	-0,57	-0,77
Niger	-2,37	-0,73
Nigeria	-1,32	-0,61
Norway	1,42	1,17
Oman	0,46	0,36
Pakistan	-1,16	-0,14
Panama	0,37	0,54
Papua New Guinea	-1,37	-0,81
Philippines	-0,34	-0,24
Poland	0,77	0,68
Portugal	0,69	0,65
Qatar	0,82	0,96
Romania	0,46	-0,03
Russian Federation	0,49	-0,71
Rwanda	-1,51	-0,03
São Tomé and Príncipe	-1,06	-1,10
Saudi Arabia	0,74	0,24
Senegal	-1,62	-1,10
Serbia	0,32	-0,40
Singapore	1,22	1,83
Slovakia	0,78	0,54
Slovenia	1,01	0,28
South Africa	-0,35	1,25
Spain	0,99	1,17
Sweden	1,18	1,93
Switzerland	1,33	1,59
Tajikistan	-0,61	-1,54
Thailand	0,03	0,41
Togo	-1,51	-0,63
Trinidad and Tobago	0,32	-0,99
Turkey	0,26	0,67
Uganda	-1,52	0,05
Ukraine	0,17	-0,44
United Arab Emirates	0,73	1,51
United Kingdom	1,18	1,72
United States	1,24	1,59
Uruguay	0,46	-0,06
Zambia	-0,86	-0,94

Country	Total Score	Cluster
Albania	-0,22	**2**
Angola	-1,29	**1**

Country	Total Score	Cluster
Armenia	-0,37	**2**
Australia	1,27	**5**
Austria	1,30	**5**
Bahamas	0,24	**3**
Bahrain	0,33	**3**
Bangladesh	-0,89	**1**
Belarus	-1,03	**1**
Belgium	1,21	**5**
Benin	-0,78	**1**
Bhutan	-0,55	**1**
Bolivia	-0,85	**1**
Bosnia and Herzegovina	-0,19	**2**
Botswana	0,14	**3**
Brazil	-0,22	**2**
Brunei Darussalam	0,37	**3**
Bulgaria	0,16	**3**
Burkina Faso	-0,82	**1**
Cambodia	-0,68	**1**
Cameroon	-1,09	**1**
Canada	1,30	**5**
Chad	-1,45	**1**
Chile	0,67	**4**
China, People's Republic of	0,04	**3**
Colombia	-0,27	**2**
Comoros	-0,88	**1**
Congo, Democratic Republic of	-1,15	**1**
Congo, Republic of	-1,23	**1**
Costa Rica	0,10	**3**
Côte d'Ivoire	-0,82	**1**
Croatia	0,40	**3**
Cyprus	0,62	**4**
Czech Republic	0,90	**4**
Denmark	1,36	**5**
Dominican Republic	-0,30	**2**
El Salvador	-0,13	**2**
Equatorial Guinea	-1,32	**1**
Estonia	0,92	**4**
Finland	1,34	**5**
France	1,05	**4**
Gabon	-0,64	**1**
Georgia	-0,05	**3**
Germany	1,45	**5**
Ghana	-0,77	**1**
Greece	0,39	**3**
Guatemala	-0,60	**1**
Guinea-Bissau	-1,23	**1**
Guyana	-0,50	**2**
Haiti	-1,55	**1**
Hong Kong SAR	1,36	**5**
Hungary	0,57	**4**
Iceland	0,97	**4**
India	-0,33	**2**

Country	Total Score	Cluster
Indonesia	-0,33	**2**
Iran	-0,17	**2**
Ireland	1,04	**4**
Israel	0,75	**4**
Italy	0,63	**4**
Jamaica	0,07	**3**
Japan	1,13	**5**
Jordan	-0,04	**3**
Kazakhstan	-0,30	**2**
Kenya	-0,48	**2**
Korea, Republic of	0,90	**4**
Kuwait	0,09	**3**
Latvia	0,68	**4**
Lebanon	-0,34	**2**
Lesotho	-1,05	**1**
Liberia	-1,37	**1**
Lithuania	0,90	**4**
Luxembourg	1,39	**5**
Macedonia, FYR	0,02	**3**
Madagascar	-1,15	**1**
Malaysia	0,47	**3**
Maldives	-0,42	**2**
Mali	-0,99	**1**
Malta	0,59	**4**
Mexico	0,02	**3**
Mongolia	-0,38	**2**
Montenegro	0,01	**3**
Morocco	-0,35	**2**
Mozambique	-1,06	**1**
Namibia	-0,33	**2**
Nepal	-1,00	**1**
Netherlands	1,46	**5**
New Zealand	1,17	**5**
Nicaragua	-0,66	**1**
Niger	-1,08	**1**
Nigeria	-1,25	**1**
Norway	1,25	**5**
Oman	0,30	**3**
Pakistan	-0,86	**1**
Panama	0,26	**3**
Papua New Guinea	-0,92	**1**
Philippines	-0,27	**2**
Poland	0,73	**4**
Portugal	0,74	**4**
Qatar	0,64	**4**
Romania	0,24	**3**
Russian Federation	-0,57	**1**
Rwanda	-0,41	**2**
São Tomé and Príncipe	-0,84	**1**
Saudi Arabia	0,13	**3**
Senegal	-0,77	**1**
Serbia	-0,01	**3**
Singapore	1,47	**5**

Country	Total Score	Cluster
Slovakia	0,67	**4**
Slovenia	0,66	**4**
South Africa	0,15	**3**
Spain	0,91	**4**
Sweden	1,44	**5**
Switzerland	1,42	**5**
Tajikistan	-1,07	**1**
Thailand	0,05	**3**
Togo	-0,87	**1**
Trinidad and Tobago	-0,24	**2**
Turkey	0,06	**3**
Uganda	-0,73	**1**
Ukraine	-1,04	**1**
United Arab Emirates	0,84	**4**
United Kingdom	1,29	**5**
United States	1,21	**5**
Uruguay	0,21	**3**
Zambia	-0,83	**1**

Table 6 – Country cluster analysis for all the countries where data for all the indicators were available

Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5
Haiti	Burkina Faso	**Iran**	**Hungary**	Japan
Chad	Benin	El Salvador	**Malta**	New Zealand
Liberia	Ghana	**Georgia**	**Cyprus**	**Belgium**
Equatorial Guinea	Senegal	**Jordan**	**Italy**	United States
Angola	Uganda	**Serbia**	**Qatar**	Norway
Nigeria	Cambodia	Montenegro	**Slovenia**	Australia
Guinea-Bissau	Nicaragua	Mexico	**Slovakia**	**United Kingdom**
Congo, Rep. of	Gabon	**Macedonia**	Chile	**Austria**
Madagascar	**Guatemala**	China, People's Rep.	**Latvia**	Canada
Congo, Dem. Rep.	**Russian Fed.**	Thailand	**Poland**	Finland
Cameroon	Bhutan	Turkey	**Portugal**	Hong Kong SAR
Niger	Guyana	Jamaica	Israel	Denmark
Tajikistan	Kenya	**Kuwait**	**United Arab Emirates**	Luxembourg
Mozambique	Maldives	Costa Rica	Lithuania	Switzerland
Lesotho	Rwanda	**Saudi Arabia**	**Czech Rep.**	Sweden
Ukraine	Mongolia	Botswana	Korea, Rep. of	**Germany**
Belarus	**Armenia**	South Africa	**Spain**	Netherlands
Nepal	**Morocco**	**Bulgaria**	**Estonia**	Singapore
Mali	**Lebanon**	Uruguay	Iceland	
Papua New Guinea	Namibia	**Romania**	**Ireland**	
Bangladesh	India	Bahamas	**France**	
Comoros	Indonesia	**Panama**		
Togo	**Dominican Rep.**	**Oman**		
Pakistan	Kazakhstan	**Bahrain**		
Bolivia	**Philippines**	Brunei Darussalam		
São Tomé and	**Colombia**	Greece		

Príncipe		
Zambia	Trinidad and Tobago	**Croatia**
Côte d'Ivoire	**Albania**	Malaysia
	Brazil	
	Bosnia and Herzegovina	

Country cluster analysis for all the countries where data for all the indicators were available. Countries in bolt are the ones where Parfois is already present and in red are the inadmissible ones.

Table 7 – Country cluster analysis for all the countries where data for all the indicators were available, minus the ones where Parfois is already present and the inadmissible countries

Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5
Haiti	Burkina Faso	El Salvador	Israel	Japan
Chad	Benin	Montenegro	Lithuania	United States
Liberia	Ghana	Mexico	Korea, Rep. of	Norway
Nigeria	Senegal	China, People's Rep.	Iceland	Canada
Guinea-Bissau	Cambodia	Thailand		Finland
Cameroon	Nicaragua	Turkey		Hong Kong SAR
Niger	Bhutan	Jamaica		Denmark
Tajikistan	Guyana	Costa Rica		Luxembourg
Belarus	Mongolia	Bahamas		Switzerland
Nepal	India	Brunei Darussalam		Sweden
Mali	Kazakhstan	Greece		Netherlands
Bangladesh	Trinidad and Tobago	Malaysia		Singapore
Togo	Bosnia and Herzegovina			
Pakistan				
Côte d'Ivoire				

Appendix IV – Tables for Country Ranking

Country	Market Size	Market Size Rank	Market Growth	Market Growth Rank
China	8,22	1	1,23	6
United States	4,18	2	-0,21	69
India	2,89	3	0,79	17
Qatar	-0,29	75	0,47	29
Singapore	-0,26	58	-0,19	68
Malaysia	-0,11	31	1,11	7
Germany	0,45	8	-0,49	81
Japan	1,07	6	-0,60	90
United Arab Emirates	-0,21	42	0,12	43
Mongolia	-0,31	98	1,36	4
Niger	-0,31	88	2,30	1
Brazil	1,08	4	-0,38	78
France	0,40	10	-0,56	86
United Kingdom	0,23	13	-0,34	75
Congo Democratic Republic of the	-0,14	33	1,31	5
Albania	-0,32	103	0,86	13
South Sudan	-0,32	102	1,74	3
Spain	0,09	19	-1,08	107
Norway	-0,20	39	0,30	37
Ethiopia	-0,22	43	1,83	2
Mexico	0,45	9	-0,17	67
Belgium	-0,21	41	-0,38	79
Bahrain	-0,31	95	0,55	25
Guatemala	-0,28	65	0,80	16
Cameroon	-0,25	53	0,95	10
Turkey	0,17	16	0,03	49
Indonesia	0,59	7	0,44	32
Nicaragua	-0,31	86	0,56	24
Canada	0,30	12	-0,36	76
Switzerland	-0,25	50	-0,11	61
Kuwait	-0,26	61	-0,13	64
Iceland	-0,32	99	0,11	46
Oman	-0,29	74	0,75	19
Nigeria	0,18	14	0,64	21
Australia	-0,03	27	-0,13	63
Korea South	0,30	11	-0,32	73
Dominican Republic	-0,27	63	0,30	36
Mozambique	-0,27	62	0,97	9
Togo	-0,31	96	0,78	18
Bolivia	-0,28	70	0,66	20
Kenya	-0,26	57	1,09	8
Bangladesh	0,02	21	0,87	12
Chile	-0,19	37	0,00	53
Netherlands	-0,17	36	-0,58	88
Jordan	-0,28	69	-0,12	62
Ghana	-0,24	47	0,80	15
Vietnam	-0,07	28	0,61	22

Country	Market Size	Market Size Rank	Market Growth	Market Growth Rank
Benin	-0,30	83	0,92	11
Ireland	-0,29	77	-0,02	54
Lebanon	-0,29	73	-0,11	60
Russia	1,07	5	-0,92	103
New Zealand	-0,28	66	0,01	52
Thailand	-0,02	25	0,46	30
Pakistan	0,16	17	0,35	35
Philippines	-0,02	26	0,46	31
Cambodia	-0,31	91	0,85	14
Israel	-0,24	48	-0,17	66
Paraguay	-0,26	59	0,40	33
Honduras	-0,30	79	0,18	41
Kyrgyzstan	-0,31	87	0,12	45
Costa Rica	-0,30	81	0,16	42
Sweden	-0,16	35	-0,36	77
Kazakhstan	-0,21	40	0,57	23
Saudi Arabia	0,01	23	-0,25	70
Estonia	-0,32	100	0,05	47
Gabon	-0,32	108	0,52	27
Uruguay	-0,30	84	-0,31	71
Peru	-0,16	34	0,03	48
Colombia	-0,08	29	-0,02	55
Iran	0,18	15	-0,10	57
Denmark	-0,28	67	-0,52	83
Congo Republic of the	-0,31	93	0,51	28
South Africa	0,05	20	-0,10	58
Panama	-0,31	89	0,18	40
Sudan	-0,25	51	0,26	38
Egypt	0,01	22	-0,11	59
Morocco	-0,19	38	0,12	44
Algeria	-0,13	32	0,36	34
Ecuador	-0,26	56	0,22	39
El Salvador	-0,30	82	-0,54	85
Slovakia	-0,29	76	-0,32	74
Austria	-0,25	52	-0,56	87
Nepal	-0,30	78	0,54	26
Jamaica	-0,32	106	-0,31	72
Montenegro	-0,33	111	-0,53	84
Poland	-0,09	30	-0,47	80
Georgia	-0,31	92	-0,14	65
Czechia	-0,23	45	-0,61	92
Senegal	-0,29	72	0,02	50
Armenia	-0,31	97	-0,52	82
Italy	0,12	18	-1,12	108
Hungary	-0,27	64	-0,59	89
Portugal	-0,25	55	-0,60	91
Finland	-0,25	54	-0,94	104
Latvia	-0,32	104	-0,67	95
Lithuania	-0,32	101	-0,92	101
Serbia	-0,28	68	-0,62	93
Azerbaijan	-0,28	71	0,01	51
Moldova	-0,32	105	-0,85	99

Country	Market Size	Market Size Rank	Market Growth	Market Growth Rank
Macedonia	-0,32	107	-0,67	94
Bulgaria	-0,26	60	-1,07	106
Uzbekistan	-0,23	46	-0,09	56
Bosnia and Herzegovina	-0,31	90	-0,70	96
Slovenia	-0,31	94	-0,76	98
Romania	-0,22	44	-0,92	102
Croatia	-0,31	85	-0,91	100
Greece	-0,24	49	-1,70	109
Cyprus	-0,32	109	-1,83	110
Ukraine	-0,01	24	-1,89	111
Sri Lanka	-0,30	80	-0,70	97
Trinidad and Tobago	-0,32	110	-0,94	105

	Market Intensity (6/20)		Market Receptivity (2/20)	
Country	**Market Intensity**	**Market Intensity Rank**	**Market Receptivity**	**Market Receptivity Ranking**
China	-0,87	**110**	-0,22	64
United States	0,95	**2**	0,14	29
India	-0,85	**109**	-0,54	93
Qatar	1,29	**1**	-0,05	50
Singapore	0,95	**3**	2,80	2
Malaysia	0,00	**58**	0,39	19
Germany	0,40	**24**	1,87	3
Japan	0,70	**6**	-0,62	103
United Arab Emirates	0,76	**4**	0,83	9
Mongolia	-0,17	**73**	0,05	40
Niger	-0,98	**111**	-0,48	87
Brazil	0,25	**36**	-0,52	91
France	0,37	**26**	1,65	4
United Kingdom	0,63	**8**	0,68	13
Congo Democratic Republic of the	-0,45	**91**	-0,26	67
Albania	0,18	**39**	-0,31	75
South Sudan	-0,64	**102**	-0,54	95
Spain	0,34	**28**	3,69	1
Norway	0,55	**12**	-0,30	70
Ethiopia	-0,85	**108**	-0,69	107
Mexico	0,28	**32**	-0,27	69
Belgium	0,64	**7**	1,24	6
Bahrain	0,18	**40**	0,13	31
Guatemala	0,10	**47**	-0,51	89
Cameroon	-0,12	**66**	-0,54	94
Turkey	0,26	**35**	-0,25	66
Indonesia	-0,47	**92**	-0,59	101
Nicaragua	0,11	**46**	-0,02	45
Canada	0,50	**14**	-0,31	74
Switzerland	0,56	**11**	0,42	18
Kuwait	0,70	**5**	-0,04	47
Iceland	0,49	**15**	-0,03	46
Oman	-0,25	**78**	0,13	30

Country	Market Intensity	Market Intensity Rank	Market Receptivity	Market Receptivity Ranking
Nigeria	-0,32	**86**	-0,78	110
Australia	0,61	**9**	-0,63	104
Korea South	0,24	**37**	-0,04	48
Dominican Republic	0,32	**30**	-0,51	90
Mozambique	-0,58	**98**	0,17	28
Togo	-0,28	**81**	-0,07	51
Bolivia	-0,16	**71**	-0,20	61
Kenya	-0,49	**93**	-0,57	97
Bangladesh	-0,53	**95**	-0,65	105
Chile	0,45	**21**	-0,37	79
Netherlands	0,44	**23**	1,30	5
Jordan	0,49	**16**	0,11	33
Ghana	-0,40	**90**	-0,16	57
Vietnam	-0,71	**105**	0,73	12
Benin	-0,50	**94**	-0,25	65
Ireland	-0,06	**61**	1,22	7
Lebanon	0,34	**29**	0,27	23
Russia	0,02	**55**	-0,46	85
New Zealand	0,45	**20**	-0,52	92
Thailand	-0,55	**96**	0,32	20
Pakistan	-0,25	**80**	-0,78	111
Philippines	-0,29	**83**	-0,47	86
Cambodia	-0,65	**103**	0,27	22
Israel	0,47	**17**	-0,41	83
Paraguay	-0,16	**70**	-0,15	56
Honduras	0,00	**57**	0,09	38
Kyrgyzstan	0,01	**56**	0,23	24
Costa Rica	0,15	**43**	-0,34	78
Sweden	0,39	**25**	-0,02	44
Kazakhstan	-0,37	**89**	-0,44	84
Saudi Arabia	0,13	**45**	-0,21	62
Estonia	-0,15	**67**	0,66	14
Gabon	-0,29	**82**	-0,33	76
Uruguay	0,57	**10**	-0,58	98
Peru	0,08	**51**	-0,61	102
Colombia	0,03	**53**	-0,70	109
Iran	-0,18	**74**	-0,66	106
Denmark	0,44	**22**	0,10	37
Congo Republic of the	-0,67	**104**	0,44	17
South Africa	-0,16	**69**	-0,37	81
Panama	-0,25	**79**	0,12	32
Sudan	-0,32	**87**	-0,20	60
Egypt	-0,05	**59**	-0,69	108
Morocco	-0,34	**88**	0,03	41
Algeria	-0,60	**100**	-0,18	58
Ecuador	-0,25	**77**	-0,48	88
El Salvador	0,51	**13**	-0,37	80
Slovakia	-0,21	**76**	0,87	8
Austria	0,22	**38**	0,18	26
Nepal	-0,59	**99**	-0,56	96
Jamaica	0,16	**42**	-0,21	63
Montenegro	0,30	**31**	-0,04	49

Country	Market Intensity	Market Intensity Rank	Market Receptivity	Market Receptivity Ranking
Poland	-0,06	**62**	0,10	34
Georgia	-0,17	**72**	0,00	42
Czechia	-0,06	**60**	0,77	11
Senegal	-0,30	**84**	-0,31	72
Armenia	0,27	**34**	-0,31	73
Italy	0,27	**33**	0,10	35
Hungary	-0,12	**65**	0,82	10
Portugal	0,16	**41**	-0,27	68
Finland	0,46	**19**	-0,19	59
Latvia	0,05	**52**	0,20	25
Lithuania	0,13	**44**	0,63	15
Serbia	0,02	**54**	-0,07	52
Azerbaijan	-0,58	**97**	-0,37	82
Moldova	0,09	**49**	0,17	27
Macedonia	-0,08	**63**	0,10	36
Bulgaria	0,09	**48**	0,32	21
Uzbekistan	-0,63	**101**	-0,59	99
Bosnia and Herzegovina	-0,12	**64**	-0,14	54
Slovenia	-0,31	**85**	0,47	16
Romania	-0,21	**75**	-0,12	53
Croatia	-0,16	**68**	-0,14	55
Greece	0,47	**18**	-0,34	77
Cyprus	0,34	**27**	0,06	39
Ukraine	0,08	**50**	0,00	43
Sri Lanka	-0,77	**106**	-0,59	100
Trinidad and Tobago	-0,81	**107**	-0,31	71

Country	Total Country Ranking Score	Total Rank
China	2,55	**1**
United States	1,49	**2**
India	0,80	**3**
Qatar	0,43	**4**
Singapore	0,43	**5**
Malaysia	0,34	**6**
Germany	0,30	**7**
Japan	0,29	**8**
United Arab Emirates	0,28	**9**
Mongolia	0,27	**10**
Niger	0,26	**11**
Brazil	0,23	**12**
France	0,23	**13**
United Kingdom	0,22	**14**
Congo Democratic Republic of the	0,19	**15**
Albania	0,19	**16**
South Sudan	0,18	**17**
Spain	0,17	**18**
Norway	0,16	**19**
Ethiopia	0,16	**20**

Country	Total Country Ranking Score	Total Rank
Mexico	0,14	**21**
Belgium	0,14	**22**
Bahrain	0,14	**23**
Guatemala	0,14	**24**
Cameroon	0,12	**25**
Turkey	0,11	**26**
Indonesia	0,11	**27**
Nicaragua	0,11	**28**
Canada	0,10	**29**
Switzerland	0,10	**30**
Kuwait	0,09	**31**
Iceland	0,08	**32**
Oman	0,07	**33**
Nigeria	0,07	**34**
Australia	0,07	**35**
Korea South	0,06	**36**
Dominican Republic	0,05	**37**
Mozambique	0,05	**38**
Togo	0,05	**39**
Bolivia	0,05	**40**
Kenya	0,04	**41**
Bangladesh	0,04	**42**
Chile	0,04	**43**
Netherlands	0,04	**44**
Jordan	0,04	**45**
Ghana	0,03	**46**
Vietnam	0,02	**47**
Benin	0,01	**48**
Ireland	0,01	**49**
Lebanon	0,01	**50**
Russia	0,00	**51**
New Zealand	0,00	**52**
Thailand	0,00	**53**
Pakistan	0,00	**54**
Philippines	0,00	**55**
Cambodia	-0,01	**56**
Israel	-0,02	**57**
Paraguay	-0,02	**58**
Honduras	-0,03	**59**
Kyrgyzstan	-0,03	**60**
Costa Rica	-0,03	**61**
Sweden	-0,04	**62**
Kazakhstan	-0,05	**63**
Saudi Arabia	-0,05	**64**
Estonia	-0,06	**65**
Gabon	-0,06	**66**
Uruguay	-0,07	**67**
Peru	-0,08	**68**
Colombia	-0,09	**69**
Iran	-0,10	**70**
Denmark	-0,10	**71**
Congo Republic of the	-0,10	**72**

Country	Total Country Ranking Score	Total Rank
South Africa	-0,10	**73**
Panama	-0,10	**74**
Sudan	-0,11	**75**
Egypt	-0,12	**76**
Morocco	-0,12	**77**
Algeria	-0,13	**78**
Ecuador	-0,13	**79**
El Salvador	-0,14	**80**
Slovakia	-0,16	**81**
Austria	-0,16	**82**
Nepal	-0,16	**83**
Jamaica	-0,16	**84**
Montenegro	-0,17	**85**
Poland	-0,18	**86**
Georgia	-0,19	**87**
Czechia	-0,19	**88**
Senegal	-0,20	**89**
Armenia	-0,20	**90**
Italy	-0,21	**91**
Hungary	-0,21	**92**
Portugal	-0,24	**93**
Finland	-0,24	**94**
Latvia	-0,26	**95**
Lithuania	-0,27	**96**
Serbia	-0,27	**97**
Azerbaijan	-0,29	**98**
Moldova	-0,31	**99**
Macedonia	-0,31	**100**
Bulgaria	-0,34	**101**
Uzbekistan	-0,34	**102**
Bosnia and Herzegovina	-0,35	**103**
Slovenia	-0,37	**104**
Romania	-0,42	**105**
Croatia	-0,43	**106**
Greece	-0,47	**107**
Cyprus	-0,54	**108**
Ukraine	-0,54	**109**
Sri Lanka	-0,59	**110**
Trinidad and Tobago	-0,65	**111**

Appendix V – Market and Company Sales Potential

Table 8 – Parfois Customer's Frequency and Expenditure of Purchase

Frequency and Expenditure of purchase	
Frequency of purchase per month	2,84
Frequency of purchase per year	34,08
Average price of Parfois' products (Portugal based)	10,56
Products purchased by visit	2
Expenditure per purchase	21,13

Table 9 – Market and Company Sales Potential

Market and Company Sales Potential		Iceland	Korea, Rep.	Israel
Population distribution by income, 2011	Middle	3%	28%	22%
	Upper-middle	36%	42%	41%
	High	60%	19%	22%
	Total Middle to high income	99%	88%	85%
Total Female Population from 20-39 years old		45.490	6.921.843	1.111.229
Percentage of Urban Population		94%	82%	92%
No. potential (eligible/qualified) consumers		42.523	5.029.383	866.208
Frequency of purchase on an annual basis		34,08	34,08	34,08
Local Purchasing Power Index Adjusted to Portugal		1,23	1,58	1,52
Shopping expenditure		26,07	33,48	32,08
Total market potential		37.777.130	5.739.038.820	946.931.448
Desired Market Share		1,2%	1,2%	1,2%
Company Sales Potential		453.326	68.868.466	11.363.177

Appendix VI – Tables Country Entry Conditions

Table 10 – Ease of Doing Business Index Dimension rankings for the selected countries

Index Dimensions Rank	Korea, Rep. Rank	Israel Rank
Starting a Business	23	56
Dealing with Construction Permits	28	96
Getting Electricity	1	91
Registering Property	40	127
Getting Credit	42	42
Protecting Minority Investors	8	8
Paying Taxes	29	103
Trading Across Borders	31	58
Enforcing Contracts	2	77
Resolving Insolvency	4	29
Ease of Doing Business Rank	4	53

Table 11 – Logistics Performance Index Dimension ranking for the selected countries

LPI Dimensions Rank	Korea, Rep.	Israel
Customs	29	23
Infrastructure	19	29
International shipments	26	36
Logistics competence	24	27
Tracking & tracing	24	26
Timeliness	21	10
LPI Score	24	26

Table 12 Economic Freedom Index Dimension ranking for the selected countries

Economic Freedom Index	Korea, South	Israel
Property Rights	28	25
Freedom from Corruption	44	37
Fiscal Freedom	119	163
Gov't Spending	88	136
Business Freedom	7	59
Labor Freedom	130	66
Monetary Freedom	39	23
Trade Freedom	99	8
Investment Freedom	49	10
Financial Freedom	3	18
2016 EFI Rank	27	35